**A STUDY ON FINANCIAL PERFORMANCE OF TNSC BANK**

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**Abstract:** This study delves into the intricacies of financial performance evaluation, focusing on [TNSC BANK] as a case study. By employing a mixed-methods approach, combining quantitative analysis of key financial indicators and qualitative assessment of strategic decisions, this research offers a nuanced understanding of the factors driving financial performance in the [TNSC BANK] sector. Through meticulous data collection and analysis, we uncover the interplay between market dynamics, operational efficiency, and managerial strategies in shaping financial outcomes. The findings shed light on best practices for optimizing financial performance and provide actionable insights for stakeholders navigating the complexities of the TNSC BANK landscape.

**INTRODUCTION:**

Finance is the life blood and nerve center of a business, just as circulation of blood is essential in the human body for maintaining life.

Finance is very essential for smooth running of business. Right from the very beginning i.e., conceiving an idea to business, finance is needed to promote or establish the business, acquire fixed assets, make investigations such asmarket surveys etc., develop product, keep men and machines at work, encourage management to make progress and create values.

Financial performance analysis is the process of identifying the financial strength and weaknesses the firm by proper establishing the relationship between the items of balance sheet and profit and loss account.

**DEFINITION**

Financial performance is the process of identifying the financial strengths and weaknesses of the firm by properly establishing the relationship between the items of balance sheet and profit and loss account. It also helps in short-term and long-term forecasting and growth can be identified with the help of financial performance.

**AREAS OF FINANCIAL PERFORMANCE**

Financial analysts often assess the firm’s production and productivity performance profitability performance, liquidity performance, working capital performance fixed assets performance fund flow performance and social performance various financial ratios analysis includes.

* working capital analysis
* financial structure analysis
* Activity analysis
* profitability analysis

**REVIEW OF LITERATURE:**

**MANISH MITTAL AND ARUNNA DHADEMADE (2005) research on a comparative studyon profitability and productivity in Indian banks, ISBN-978-81-7446-983-0:** The found that higher profitability is the only major parameter for evaluating banking sector performance from the shareholders point of view. It for the banks to strike a balance between commercial and social objectives. They found that the public sector bank or less profitable than private sector bank. Foreign bank top the list in terms of net profitability.

**I.M**. **PANDEY** (**2005**) **FINANCIAL MANAGEMENT**–(**ninth edition**)-**978**-**81**-**259**-**165-0:** An efficient allocation of capital is the most important financial function in modern times. It involves decision to commit the firm’s fund to the long term assets. The firm’s value will increase the investment are profitable and add to the shareholders wealth. Financial decisions are important to in fluence the firm’s growth and to involve commitment of large amount fund

**Pai, Vadivel & Kamala (1995)** have studied about the diversified companies and financial performance. Main purpose of research was found out the relationship between diversified firms and their financial performance. For the purpose of research, they have selected seven large firms and analysed those firm which having different products-both related and otherwise-in their portfolio and operating in diverse industries. In this study, a set of performance measures ratios was employed to determine the level of financial performance and variation in performance from one firm to another has been observed and statistically established. They revealed that the diversified firms studied have been healthy financial performance.

**Dharmaraj, A. and Kathirvel N. (2013)** explored an overview of new industrial policy act 1991, which allow 100 percent foreign direct investment. An attempt is made to find out the effect of FDI on financial performance of TNSC bank.

**Krishna Prasad Upadhyay (2004)** used different types of financial ratios to check-up thefinancial performance of the selected finance companies. Basically, in this study he us ed solvency ratio, liquidity ratio, efficiency ratio, profitability ratio and valuation ratio. Different measures like return on investment, return on equity, return on assets, earning per share, dividend per share, and asset utilization ratio are used to assess the profitability of the companies. He concluded his study stating that the solvency position of both companies is not sound and credit creation capacity is good in both the companies in aggregate.

**Objectives of the study:**

#### Primary Objectives

To study and analyze the financial performance of the TNSC APEX CO-OPERATIVE BANK

#### Secondary Objectives

* Non-performing asset to a classification for loans and advances.
* The Altman z score is a formula for determining whether a company, not ably in the manufacturing space, is headed for bankruptcy.
* The formula takes in to account profitability, leverage, liquidity, solvency.ioneers in put.

**Scope of the study:**

The study is conducted to know the deviation which happened in the financial performance so that the positive aspects will be improved and the adverse situation will be disappeared.

The profitability turnover and short term solvency or liquidity position of the concern should be maintained so that the reputation cannot get affected. By updating about changes between past & present performance and prompt decision can be taken. Such decision is used to boost the performance of the concern which result is achieving the goals of the organization.

**RESEARCH METHODOLOGY**

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In this study the various step that are generally adopted by a researcher in studying his research problem along with the logic behind them. The researcher used analytical type of research to analyze the past data based on which certain future decision can be made.

**RESEARCH DESIGN:**

A research design is a conceptual framework for a research study; establishes standards for data collection, measurement and analysis. Research design is the collection of data in accordance with the purpose of education and the functioning of the process and the preparation of events for analysis.

## **DESCRIPTIVE RESEARCH**

Descriptive research determines the relationship between two or more variables. It includes surveys and fact-finding inquiries of different kinds. The major purpose of descriptive research is the description of the state of affairs as it exists at present. The main characteristics of this method are that the researcher has no control over the variables, he can only report for the happening. The method of research utilized in descriptive research is a survey method of all kinds including the comparative method and correlation

**DATA ANALYSIS & INTREPRETATION**

### **Advance To Total Assets Ratio**

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **ADVANCES**  **(Rs. In Crores)** | **TOTAL ASSETS**  **(Rs. In Crores)** | **RATIO (%)** |
| 2018-2019 | 8305.54 | 13504.88 | 61.50 |
| 2019-2020 | 8384.6 | 14038.44 | 59.72 |
| 2020-2021 | 11081.92 | 17965.97 | 61.67 |
| 2021-2022 | 10679.4 | 23112.59 | 46.20 |
| 2022-2023 | 12819.62 | 28690.79 | 44.68 |

**Interpretation:**

ADVANCES TO TOTAL ASSET

70.00

61.50

59.72

61.67

60.00

50.00

46.20

44.68

40.00

30.00

20.00

10.00

-

2018-2019

2019-2020

2020-2021

2021-2022

2022-2023

Series1

The table 4.1.1 and the chart 4.1.1 shows that the advances to the total asset ratio of TNSC bank has decreased from 61.50 during 2018-2019 to 44.68 during 2022-2023.

### PROFIT TO RESERVE RATIO

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **PROFIT (Rs. In**  **Crores)** | **RESERVES (Rs. In**  **Crores)** | **RATIO (%)** |
| 2018-2019 | 81.83 | 598.01 | 13.68 |
| 2019-2020 | 81.86 | 771.81 | 10.6 |
| 2020-2021 | 82.14 | 867.55 | 9.46 |
| 2021-2022 | 147.77 | 960.77 | 15.38 |
| 2022-2023 | 229.23 | 1141 | 20.09 |

PROFIT TO RESERVE RATIO

25

20.09

20

15.38

15

13.68

10.6

10

9.46

5

0

2018-2019

2019-2020

2020-2021

2021-2022

2022-2023

Series1

**Interpretation:**

The Table 4.1.3 and the Chart 4.1.3 profit to reserve ratio of TNSC bank has increased from 13.68 during 2018-2019 to 20.09 during 2022-2023.

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### CREDIT- DEPOSIT RATIO:

|  |  |  |  |
| --- | --- | --- | --- |
| YEAR | Advances | Deposits | Credit Deposits |
| (Rs. In. Crores) | (Rs. In. Crores) | Ratio |
|  |  | (%) |
| 2018-2019 | 6,372.10 | 8305.54 | 76.72 |
| 2019-2020 | 8,062.64 | 8384.6 | 96.16 |
| 2020-2021 | 10,526.67 | 11081.92 | 94.98 |
| 2021-2022 | 8,529.98 | 10679.4 | 79.87 |
| 2022-2023 | 15,352.03 | 12819.62 | 119.75 |

140

120

100

80

60

40

20

0

2018-2019

2019-2020

2020-2021

2021-2022

2022-2023

Series1

**Interpretation:**

The Table 4.1.6 and the chart 4.1.6 shows that the credit deposit ratio of TNSC bank has fluctuated over the year form 76.72 during 2018-2019 to 119.75 in 2022-2023

**FINDINGS:**

* The table 4.1.1 and the chart 4.1.1 shows that the advances to the total asset ratio of TNSC bank has decreased from 61.50 during 2018-2019 to 44.68 during 2022-2023.
* The Table 4.1.2 and the chart 4.1.2 shows that the net profit ratio of TNSC bank has increased from 1.28 during 2018-2019 to 1.49 during 2022-2023.
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* The Table 4.1.4 and the Chart 4.1.4 shows that the total investment to total asset ratio of TNSC bank has gradually decreasing from 23.94 during 2018-2019 to 11.58 during 2022-2023.
* The table 4.1.8 and the chart 4.1.8 shows the Capital are rapidly increasing from 100% during 2018-2019 to 132.58% during 2022-2023.

**SUGGESTION**:

From the overall analysis of the financial statements and components with cost. The bank is being looked from all the dimension and finally it can be concluded that the economic health is sufficiently strong with huge cash reserves can enable the bank for diversification and many other venture is being processed apart the main business of lending.

Cost aspect is also registering that the price increase is contained within all level of inflation in spite of many other factors.

In my opinion it is a cash rich cooperative sector and should go for diversification meeting all social commitment.

In global context for its survival and the growth many another conditional ties to be compiled.

Under the corporate governance more transparency should be maintained and many other commitments to be achieved.

**CONCLUSION:**

Efficient and effective financial performance is very important for all organizations to survive and to have better profitability. Financial performance analysis is very important to check the profitability and to find the future threats of the company. For financial performance analysis, I have conducted my study at TNSC BANK AT CHENNAI. The main objective of the study was to analyse the financial performance and to secure practical knowledge regarding different aspects of the company. It helped me to familiarize with a real-world organization system and to understand the various levels in the organization. Data were collected from the balance sheet and annual report. The various tools used for the analysis are ratio analysis, trend analysis, comparative balance sheet analysis and DuPont analysis. During the period of study, the functioning of the company and all activities was studied in brief. The study was aimed in getting insight to the day-to-day operations of typical industry. This helps us to gain practical knowledge about management and function by way of comparison between practical and theoretical knowledge. This study comes to the conclusion that; the company has to increase efficiency in maximum utilization of its resources effectively.